Introduction

This disclosure statement has been prepared by Dundas Partners LLP (FCA reference number 587649) to fulfil the regulatory disclosure requirements, set out by the Financial Conduct Authority (FCA) in the Prudential sourcebook for MiFiD Investment Firms (MIFIDPRU) Chapter 8.

This disclosure is not required to be reviewed by the firm's auditor and does not form part of the annual audited financial statements of the firm. Unless otherwise stated, all figures are as of 31 March 2024, the firm's financial year end.

This disclosure has been approved by the Dundas Partnership and is published on the Dundas website (www.dundasglobal.com)

As Dundas has no trading book or derivatives business and the rolling average of the firm's on and off-balance sheet items over the preceding four-year period is below £300m, Dundas meets the conditions in MIFIDPRU 7.1.4R(1) and SYSC 19G.1.1R(2). Consequently, reduced disclosure requirements apply in relation to remuneration policy and practices (MIFIDPRU 8.6) and the firm is not required to make investment policy disclosures (MIFIDPRU 8.7).

Executive Summary

- Dundas Partners LLP is authorised and regulated by the Financial Conduct Authority (FCA) registration number 587649 since 26 February 2013. It is a MiFID investment firm as defined in the FCA Handbook and therefore subject to the Investment Firms Prudential Regime (IFPR). Dundas is a non-Small Non-Interconnected (non-SNI) firm as defined under the IFPR rules. Dundas does not have permission to hold client money nor has permission to deal on its own account. MiFIDPRU 7 Annex 1 has been considered when assessing risks and harms.
- As a non-SNI firm Dundas is required to maintain sufficient capital to meet the regulatory minimum requirements or those calculated by the firm's own funds adequacy analysis. To assess its own funds requirement three scenarios were considered alongside a continuation of business as usual. The wind-down scenario demanded the highest level of capital of those considered and this exceeded the regulatory minimum requirements and is therefore the basis on which the Own Funds Adequacy Requirement (OFAR) has been set.
- This report confirms that the firm has adequate capital and liquidity for its risk, size and business complexity.
- The firm has only one regulated entity that is covered by the assessment. It is not part of a group.
- The material risks identified by the firm are a loss of investor confidence brought about by regulatory breach or poor strategy returns, prolonged poor global equity returns coupled with a rising cost of doing business, and loss of a major client.
- The findings of the ICARA analysis are:
    - The firm considers it should hold an Own Funds Adequacy Requirement of £700,000.
    - The firm's risk management process has been reviewed by the Partnership Board and by Azets as part of their controls audit and found to be satisfactory.

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- The firm has adequate financial resources and liquidity over its planning horizon considering the potential impact of an economic downturn as a continued result of the Covid-19 global pandemic and other global factors.
- The firm has examined credit, market, and operational risks. The firm has determined that given its business model these risks are modest and appropriately mitigated.
- The firm has identified client harm risks, allocated owners of those risks and considered those mitigants within its control.
- This ICARA update was prepared on behalf of the firm by the Compliance Officer. It was then reviewed at the Compliance and Audit Committee and challenged by the Partners on 19 June 2025.
- Summary table below

	31 March 2025 GBP'000	31 March 2024 GBP'000	Change YoY GBP'000
Balance sheet equity	2,342	2,068	274
Capital introduced by members'	1,144	1,144	-
Balance sheet liquidity*	1,893	1,439	
Overall Financial Adequacy Requirement: Based on Wind down	700	830	
Permanent Minimum Capital	75	75	
Fixed Overhead	470	480	
K factor – K-AUM (£1.56bn)	332	323	

* Balance sheet liquidity being cash plus trade receivables capped as per FCA guidelines.

Background

The Investment Firms Prudential Regime reflects the EU Investment Firms Directive/ Regulation on Prudential Supervision which the UK had significant input into prior to leaving the EU on 31 December 2020. As such, the UK has decided to implement a largely similar regime to achieve equivalency of the UK/EU financial services industries in this area. This was implemented on 1 January 2022.

The IFPR is specifically designed for FCA regulated investment firms and represents a significant change to how firms are prudentially regulated. The new requirements seek to capture the potential harm posed by firms to their clients and the markets in which they operate. It also considers the amount of capital and liquid assets a firm should hold to wind-down or exit the market in an orderly way.

The IFPR means there will be a single prudential regime for all MiFID investment firms, simplifying the current approach. Its aim is to allow for better competition between investment firms. The regime introduces meaningful capital and liquidity requirements for some investment firms for the first time, aligned with the potential harm they can cause to their clients and the markets in which they operate.

Firm Overview

Dundas Global Investors Ltd was set up in 2010 as a Limited Company and the business was transferred to Dundas Partners LLP on 26 February 2013. Dundas Global Investors is the trading name of the partnership.

In the last fiscal year 2024/25 the firm generated operating profits of c.£2.2m Tax generated on these operating profits are the liability of the individual partners in accordance with HMRC's laws on income.

Once all overheads have been settled and employees paid, the remaining profit is available for distribution to Dundas' partners at the discretion of the Remuneration Committee. Where necessary, funds are retained in response to the need for capital or if there is the need for a higher fixed overhead requirement and its associated level of capital.

Dundas is an institutional manager working with large superannuation funds and their advisors in Australia, New Zealand, the USA and the UK. The firm provides separate accounts, sub-advisory portfolios and has Funds available in the UK and Australia. To the extent the firm has individual investors these are through the regulated Funds.

Over the last twelve months growth in assets has come mainly from the UK and Australian markets.

Business strategy

Dundas is a global equity manager for institutional clients. It runs one investment strategy: selecting stocks for a portfolio of around 120 holdings, less than two percent of the universe of about 8,500 stocks across two UK Funds which generate both capital and dividend growth. To date Dundas' Australian clients have requested global mandates excluding stocks in the Australian market. Clients in the US have made the same request: global mandates excluding those from the domestic market. Given the significance of the US stock market in global indices Dundas calls this portfolio its International Strategy.

The principal activities of Dundas are to act as a fee-based investment manager of separate accounts and of open-ended investment funds. Its primary business objective is to profitably grow assets under management.

During the last financial year (ended 31 March) Dundas has maintained sufficient capital to meet its regulatory and business needs. The business model of Dundas is predicated on the need to keep costs down and pass this on to clients in the form of lower fees.

There are no significant planned changes to the firm's strategy or objective. Today Dundas extends to a team of fifteen. As the firm grows its client base and its assets under management it expects to add additional members to its team and invest in technological infrastructure. The addition of these will increase the firm's Fixed Operating Costs and therefore its Expenditure Based Requirements,

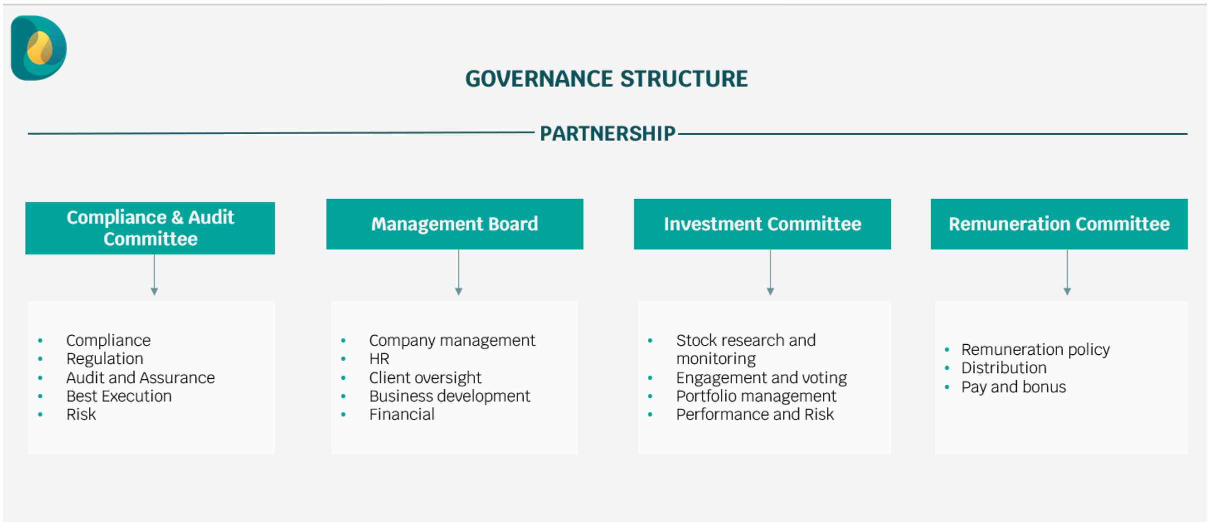
Dundas signed a distribution agreement with LGBR Capital Partners to market the Heriot Global Fund in the UK in March 2019 and Heriot Global Smaller Companies Fund in October 2021. It extended this agreement in 2024. Distribution channels in the US and Australian markets are well supported.

Dundas intends to grow from its financial year end 2025 overall (MiFID and non-MIFID business) assets under management of £2bn of which £166m are assets under advisement and £360m are in UK funds leaving K-AUM at £1.6bn. Over the next five years the firm aims to win new client mandates for its capital and dividend growth strategy and its ADR strategies. With only one office location and a team of fifteen members, Dundas' growth should provide sufficient capital for re-investment and to provide cash liquidity.

Governance Arrangements

Governance and Oversight Structure

The Partnership Board has ultimate responsibility for corporate governance. The firm is structured as a Limited Liability Partnership in Scotland and is owned by its partners who are all active in the business. Partners are each approved as Senior Managers by the FCA. The Partnership discharges its responsibilities through regular board meetings and by delegating aspects of that responsibility through a formal committee structure (see below as at 30 June 2025).



Management Board is responsible for growing the firm profitably in a sustainable way, the implementation of the business plan, growing assets under management and ensuring capital adequacy through its day-to-day profit and loss accountability.

The Investment Committee is responsible for oversight of the firm's investment process.

The Compliance and Audit Committee is responsible for safeguarding the firm's reputation, maintaining regulatory standing, and minimising exposure to financial crime in all jurisdictions in which the firm operates.

The strategic objectives below were adopted by the Partnership. They are reviewed annually in conjunction with the development of annual capital management, strategic and operational plans.

- **Grow assets under management –** This encompasses the activities required to grow the firm's client base or investment from existing clients. Dundas continues to work with established distributors to develop assets under management.
- **Safeguard Reputation –** This encompasses activities required to provide effective communication to stakeholders, provide strong, robust governance and demonstrate strong ethical standards.
- **Grow profitably in a sustainable way –** Ensure Dundas continues to manage its cost base to expand less than assets under management through use of technology and maintaining one mainstream investment strategy.

- **Achieve Appropriate Investor returns –** The amount of risk the investment team can take with investor monies to achieve appropriate returns on investment.
- **Maintain Regulatory standing –** The indicator of how sensitive or how exposed Dundas' products and services may be to changes or tightening of regulation. Dundas' product offerings are and will remain simple and unlikely to present regulatory risk in the short and medium term.
- **Safeguard Capital adequacy –** The indicator of how prudent we need to be in provision of excess capital. The current model builds in large excess capital over and above the regulatory Fixed Overhead Requirement. There are currently no plans to change this approach.
- **Minimise Exposure to Financial crime –** The indicator of how exposed Dundas may be to financial crime. The current business model means the prevailing exposure to external crime is low.

The committee structure above can be mapped to the ownership of risk categories across the firm.

Outside Directorships Held

Partners and employees in the firm can only undertake outside director level roles with the explicit agreement of the Management Board. At present, David Keir, Managing Partner serves on the Investment Committee at True Potential. No other partners hold external directorships.

Promoting Diversity

The firm recognises the benefits of employing individuals from a range of backgrounds, as this creates a workforce where creativity and valuing difference in others thrive. Dundas values the experience and diversity within the community in which it operates and has a workforce that reflects it. Dundas does not set specific targets in respect of Diversity, Equity and Inclusion. Our Equal Opportunities Policy is available on request.

Firm approach to risk management

The firm operate a top-down and bottom-up approach to risk management, where current and emerging risks are identified and assessed as part of our strategy and budget process. At least twice a year, the committees formally review and assess the risks for their business areas and update as necessary.

These results are reviewed and discussed in detail at the Compliance and Audit Committee on through the year. Furthermore, once a year in February as part of our budgetary & planning process, we have a dedicated deep dive risk session at the Compliance & Audit Committee where the Committee analyses current and emerging risks in more detail and their links to our overall strategy.

The principal risks associated with the Firm's strategy are divided into four categories:

- Those specific to Dundas and its strategy
- Industry-related risks
- General business risks for any international company.
- Client harm risks

In the section below the risks identified in the firm wide risk register have been allocated to the governance structure outlined above and these four categories.

DUNDAS GLOBAL INVESTORS

Partnership:

- Firm Strategy Risks
    - Loss of trust/reputation
- General Business Risks
    - Key person risk
    - Client concentration
- Client Harm Risks
    - Investment philosophy

Management Board:

- Firm Strategy Risks
    - Low/no AUM growth
    - Low/declining profitability
    - Insufficient retained capital for growth
- Industry Related Risks
    - Equity Market levels and impact on fees
- General Business Risks
    - Credit Risk
    - Insurance Cover
    - Business Continuity
- Client Harm Risks
    - Rising Costs
    - Shrinking or sub scale fund
    - Failure of distributor

Investment Committee

- Firm Strategy Risks
    - Poor investor returns relative to expectations
    - Failure to meet net zero goals
- Industry Related Risks
    - Operational risk – administrative or dealing errors
    - Interest rate risks – change in client risk appetite
    - Green washing
- Client Harm risks
    - Portfolio liquidity
    - Portfolio concentration
    - Fall short of Stewardship/ESG goals

Compliance and Audit Committee

- Firm Strategy Risks
    - Regulatory breach or investigation
    - Exposure to financial crime or money laundering
- Industry related Risks
    - Regulatory change
- General Business Risks
    - Liquidity risk

Dundas seeks to mitigate those risks unpacked in this risk register at the overall firm level through the following overarching policies:

- Maintaining adequate financial resources – retaining capital over and above that required by regulation, holding as much as possible in cash or equivalents and having no borrowings.
- aligning the interests of staff and working members with supervision of the operations of the business – remuneration policies which prioritise the success and stability of the firm before the individual and clear SMCR responsibilities backed by investment in services and systems to support risk management.
- Maintaining, enhancing, and subjecting to external audit key operating procedures for all material business areas – annual financial and controls audits are commissioned.
- Reviewing the operations of all material business areas periodically – aside from those areas covered by external audit, time taken to review internally processes and procedures.
- And above all keep the business, structure, and operational requirements relatively simple.

Setting firm risk appetite

The Partners of Dundas have assessed the impact of the risks taken in pursuit of its strategic objectives. Those strategic objectives are:

- Grow assets under management.
- Safeguard reputation
- Grow profitability in a sustainable way.
- Achieve appropriate investor returns
- Maintain regulatory standing.
- Safeguard capital adequacy
- Minimise financial crime risk

Each of these areas is subject to risk and the table below indicates the level of risk Dundas is prepared to accept in each area:

	Willingness to accept risk				
	LOW		MED		HIGH
	1	2	3	4	5
Grow AUM					
Safeguard Reputation					
Grow Profitability					
Appropriate Returns					
Regulatory Standing					
Capital Adequacy					
Financial Crime					

Taking each in turn to describe what our low willingness to accept risk means in practice.

Grow assets under management – the firm has chosen to work with experienced third-party distributors both to enter and expand within geographic areas. While this comes with a cost, this is variable and linked to fees thus reducing fixed costs within the firm while making use of experienced distribution teams with specialist skills and expertise.

Safeguard Reputation – through no separation of ownership from day-to-day control of activities everyone in the firm is aligned to safeguard their own reputation and hence that of the firm. The firm has chosen to work with clients who are either institutional investors or have professional advisors to assist in decision making. This reduces risk through any potential mismatch between the firm's investment strategy and investor expectations. The firm also deliberately maintains a low internet and social media profile.

Grow profitably in a sustainable way – the firm seeks to manage closely its fixed cost base using technology while maintaining a single mainstream investment strategy. Remuneration policy is similarly focused on stability and growth over the longer term rather than short term incentives.

Achieve appropriate investor returns: the firm's investment philosophy is predicated on where long-term dividends go share prices will follow. The focus is on using rising dividends as the discipline to growth investing. The aim to provide strong risk adjusted returns while avoiding the downside risks of other strategies. Through this philosophy the aim is to reduce both the risk to client portfolios and reduce the business risk to the firm.

Maintain regulatory standing: the firm's investment offerings are kept simple, and the permissions required are minimal. The firm also uses external compliance advisors to keep track on regulatory developments in the UK, USA and Australia.

Safeguard capital adequacy: the firm prioritises the retention of profits to boost capital whenever necessary and supplements this with appropriate insurances to cover specific risks of loss. In addition, capital is held in cash or cash equivalents whenever possible.

Financial crime: the firm has no permission to hold client cash and has no intention of doing so. For most clients, know your customer requirements are undertaken by fund hosting companies who have the experience and skill set to do this. Only professional/institutional clients are handled directly by the firm.

Material Risks

The Partners of Dundas are responsible for determining and overseeing the firm's risk and harms strategy. Dundas' risk appetite and tolerance are reviewed regularly; the Partners consider various stress tests that set out the amount and type of risk that are considered appropriate for the firm to accept to execute its business strategy. Material harms are reviewed periodically through the Partners meeting and mitigants discussed.

Dundas has developed a risk matrix that is broken down by business function and each underlying process within the business function, this is reviewed periodically. Each risk is then assessed to determine the type of risk exposure, its materiality, whether it is covered by insurance and what mitigating procedures can be put in place to control that risk. Individual Senior Managers are accountable for risks and harms in their business area and will put in place mitigants to manage those. Dundas' culture aims to ensure that each Partner is focused on improving procedures and minimising risk while establishing a robust risk, capital, and performance management structure.

Dundas invests client assets in publicly traded global equity securities; it is mainly exposed to operational and reputational risk and most material harms identified are because of that exposure. However, there is some small additional exposure to both business and credit risk. These exposures are regarded as typical for a business engaged in the activity of long only asset management. In assessing the risk appetite of the business, consideration has been given to identifying the material risks and harms facing Dundas' operations. These include risks and harms at both the client and firm level and take the form of loss of revenue, loss of assets or higher costs.

Credit: Dundas receives investment management fees monthly from the UK and Australian Funds and on a quarterly basis from the US contracts. These fees are computed based on the value of overall assets managed whether in a commingled fund or separate account. For global mandates, fees are paid within 30 business days of each month end. For international strategies the payment window is longer and so can take up to three months to settle. There is little credit harm or risk associated with these fees.

Market: Dundas' portfolios are subject to market risk and harm. The fees are asset based: revenues will increase as assets under management increase and vice versa. Dundas has structured its business so that many costs are variable and can be reduced should assets under management fall. Dundas seeks to keep base costs low, and the partnership model avoids high committed salaries and bonuses.

Liquidity: liquidity risk consists of two primary items – funding liquidity risk and market liquidity risk. Dundas has no borrowing and is not dependent on external financing for any aspect of its business. As a result, Dundas is not exposed to funding liquidity risk. Dundas has some exposure to market liquidity risk in that one of our banking counterparties could suffer severe financial distress and elect not to return some of Dundas' cash deposits – for this reason Dundas have a limit on deposits which is regularly reviewed.

Operational: operational risk and harm refers to the direct or indirect loss resulting from inadequate or failed internal processes, people, and systems or from external events. This would include administration and/or dealing errors or breaches or investment mandate breaches. The Funds offered in the UK and Australia are priced and administered by third parties regulated for this activity.

Dundas seeks to mitigate those harms by (i) maintaining adequate financial resources, (ii) aligning the interests of staff and working members with supervision of the operations of the business (iii) maintaining a risk and harms matrix and key operating procedures for all material business areas (iv) reviewing the operations of all material business areas periodically and (v) keeping the business, structure, and operational requirements relatively simple.

Concentration: this is the risk that exposures to specific sectors or assets could result in losses to Dundas or its clients and cause harm. Dundas invests client assets in publicly traded global equity securities and earns its revenue from an Australian, US and UK client base. The major risk is that the business could suffer from a decline in its investment performance relative to benchmark indices. Dundas seeks to minimise this risk through focusing on its own investment research, keeping its business simple and aligned with its clients while minimising overheads.

Business: business risk arises when changes in the business prevent Dundas from carrying out its business plan and desired strategy therefore potentially causing harm to its clients. As a Limited Liability Partnership all material structural changes to the firm are subject to discussion at Partnership meetings. Dundas seeks to mitigate the risk of losing key team members through making them Partners in the firm – participating in Dundas' growth.

Interest rate: Dundas does not engage in any principal trades or run any trading book exposures that could be subject to interest rate risk.

Insurance: Dundas maintains professional indemnity, crime, and cyber cover. All are set at a limit which Dundas consider appropriate for the business and subject to an excess which Dundas can reasonably afford to meet if called upon. Through working with its insurance broker Dundas obtains insurance from well capitalised companies to minimise the risk of loss arising from insurance risk. The level of professional indemnity cover is reviewed on a regular basis and at least annually.

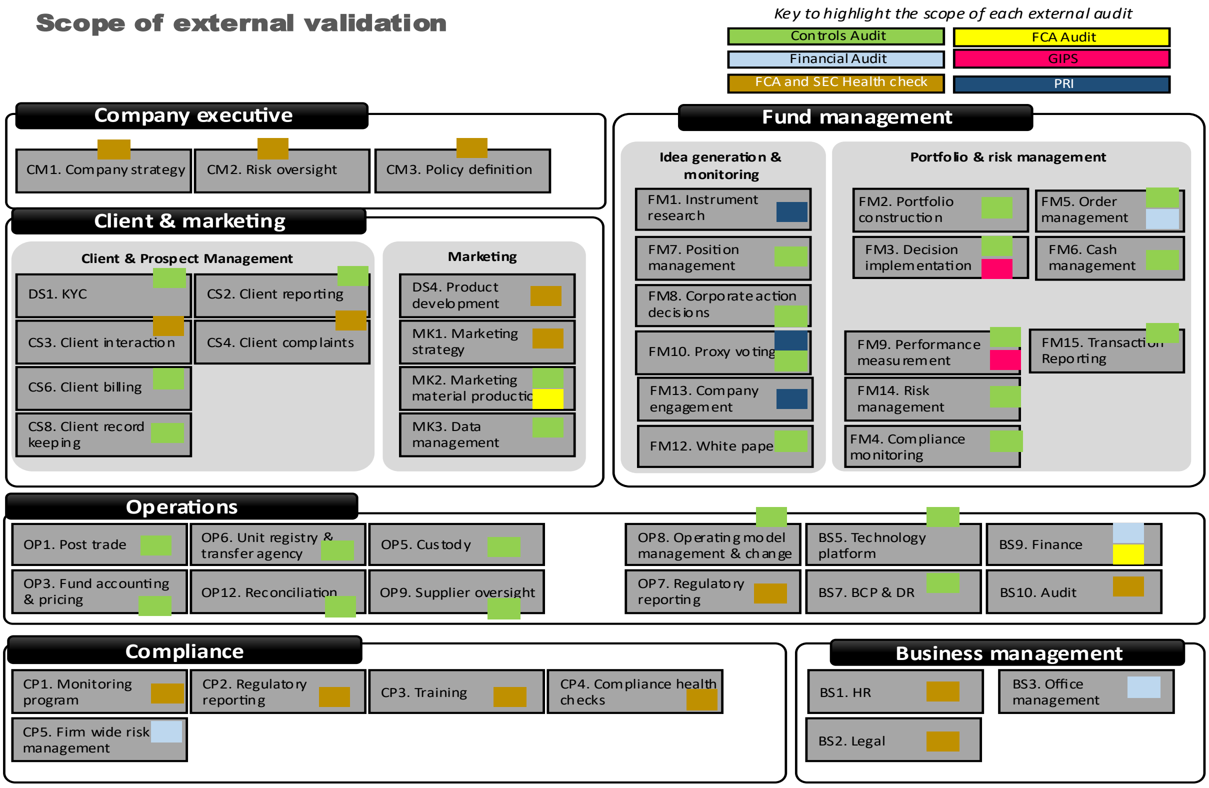
Reputational: Dundas are at risk from poor investment performance affecting its ability to generate profits; from the loss of one or more key staff; the loss of a large customer or through poor client service. Dundas has sought to keep mandates simple as a mitigant of these risks. The firm understands that there could be a claim or legal action from a client.

Business continuity: Dundas reviews its business continuity and disaster recovery procedures annually or as necessary through the year. A full off-site disaster recovery and business continuity test was successfully completed on9 November 2023.

Assess Effectiveness of Risk Management

The table below shows the main areas of activity within the firm. The shading shows the external audit coverage. Some other areas are now covered by the Stewardship Code Report which is verified by the Financial Reporting Council and other aspects of compliance are examined during an external Health Check.

Scope of external validation



The risk register seeks to capture not only those risks subject to audit but also the broader scope of risks across the firm. These are categorised as:

- Those specific to Dundas and its strategy
- Industry-related risks
- General business risks for any international company.
- Client harm risks

With respect to assessing client harm risks, the firm's UK funds are subject to an annual external value assessment by the host Authorised Corporate Director. In the most recent report prepared by T Bailey Financial Services in May 2023 the Heriot Global Fund received satisfactory assessments in all seven of the criteria covering areas such as performance, costs economies of scale, classes of units, comparable market rates and quality of service.

The firm has gone further in its own risk assessment highlighting the following potential client harm risks, all with mitigants and ownership. These risks while not covered by external audit are discussed and reviewed at the relevant committee regularly through the year. This provides a practical example of the internal risk register and how it is applied.

Risk	Description	Impact	Mitigation	Risk Type	Committee	Owner/Response
Investment style out of fashion	Growth and/or smaller companies not in vogue for extended period	Sustained period of underperformance against comparator benchmark	Clear communication of strategy risks and investment horizons	Client Harm Risk	BD working group	Partner Responsible: Neil Sutherland
Rising costs	ACD and admin costs result in rising OCF	Poor value assessments and fee pressure	Ensure other portfolio fees are regularly reviewed	Client Harm Risk	Management Board	Partner Responsible: Neil Sutherland
Shrinking or sub scale fund	Fixed costs result in rising OCF and Firm subsiding Fund	Poor value assessments and ACD pressure to close	Strict business case for new funds/share classes and be prepared to close	Client Harm Risk	Management Board	
Failure distributor	Difficulty in communications and loss of assets	Loss of AUM, costs of in housing and reputational risk	Regular review of distribution arrangements and agreements	Client Harm Risk	Management Board	
Portfolio liquidity	Insufficient liquidity to cope with large client redemption	Delayed redemption, extra costs borne by unit holders	Clear and practical liquidity policy and monitor largest holders	Client Harm Risk	Investment Committee	
Portfolio concentration	Overexposure to specific sectors, countries, or underlying risks could lend to losses	Increased volatility in fund returns leading to client withdrawals	Regularly update and hold fast to portfolio guidelines	Client Harm Risk	Investment Committee	
Fall short of Stewardship/ESG goals	Inadequate evidence and/or standards of governance of ESG	Loss of reputation, regulatory oversight and client losses	Build stewardship compliance, metrics and resourcing	Client Harm Risk	Investment Committee	
Failure to handle complaints properly	Not scaling dissatisfaction or not resolving complaint	Loss of reputation and regulatory investigation	Ensure awareness and encourage adherence to our complaints handling process	Client Harm Risk	Compliance and Audit Committee	

The firm encourages the capture and discussion of “near misses” through the year to show how controls/processes and risk mitigants may be working or how they can be improved.

Own Funds Requirement

To establish a basis for the firm’s own funds requirements, three potential scenarios have been considered along with the financial impact of each over the coming three years to establish the capital requirements of each. Before looking at the three scenarios the section below covers the business-as-usual assumption which is predicated on rolling forward current run rates of costs and revenues.

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Business as usual – base case scenario

The effective date of this MIFIDPRU 8 Disclosure is 30 June 2025. All audited numbers for this document are as of fiscal year end 2024/25.

Over the current year (2025/2026), the firm's net revenue is expected to remain flat. Core overhead costs will be tightly managed but will increase to support continued growth of the firm and to ensure the firm's capabilities as an institutional global equity manager. Success with new mandates will see overheads rise while maintaining profit margins.

As part of the budgeting and capital planning process the firm believes the most relevant stress test is to look at the fall in AUM which would link to revenues meeting core overhead costs. Dundas considers a range of scenarios as part of its budgeting for the year: the impact of asset gathering, considering market declines and the impact of changes in foreign exchange rates on profitability, given that more than 70% of its revenue base is generated outside the UK.

Dundas' capital position as at the end of the financial period 31 March 2025 is summarised as follows:

Table OF1: Composition of regulatory own funds as at 31 March 2025			
Item		**Amount (£'000)**	**Source Based on reference numbers/letters of the balance sheet in the audited financial statements**
1	**Own Funds**	2,342	N/A
2	**Tier 1 Capital**	2,342	N/A
3	**Common Equity Tier 1 Capital**	2,342	N/A
4	Fully paid-up capital instruments	1,144	Members' capital classified as equity (page 7)
5	Share premium	-	N/A
6	Retained Earnings	1,198	Loans and other debts due to members within one year (page 7)
7	Accumulated other comprehensive income	-	N/A
8	Other reserves	-	N/A
9	Adjustments to CET1 due to prudential filters	-	N/A
10	Other funds	-	N/A
11	(-) Total deductions from common equity tier 1	-	N/A

19	CET1: Other capital elements, deductions, and adjustments	-	N/A
20	**Additional Tier 1 Capital**	-	N/A
21	Fully paid up, directly issued capital instruments	-	N/A
22	Share Premium	-	N/A
23	(-) Total deductions from additional tier 1	-	N/A
24	Additional Tier 1: Other capital elements, deductions and adjustments	-	N/A
25	**Tier 2 Capital**	-	N/A
26	Fully paid up, directly issued capital instruments	-	N/A
27	Share Premium	-	N/A
28	(-) Total deductions from tier 2	-	N/A
29	Tier 2: Other capital elements, deductions, and adjustments	-	N/A

Table OF2: Reconciliation of regulatory own funds to balance sheet in the audited financial statements as at 31 March 2025				
		Balance Sheet as in published/audited financial statements (£'000)	**Under regulatory scope of consolidation**	**Cross-reference to template OF1**
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Intangible assets	-	N/A	N/A
2	Tangible assets	49	N/A	N/A
3	Debtors - amounts falling due within one year	888	N/A	N/A
4	Cash at bank and in hand	1,747	N/A	N/A
	Total Assets	**2,684**	N/A	N/A
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Creditors: amounts falling due within one year	342	N/A	N/A

	Total Liabilities	**342**	N/A	N/A
Members' Interests				
1	Members' capital classified as equity	1,144	N/A	Item 4
2	Loans and other debts due to members within one year	1,198	N/A	Item 6
	Total Members' interests	**2,342**	N/A	**Item 1**

Table OF3: Own funds: main features of own instruments issued by the firm.
Members' capital classified as equity comprises of the capital contributions from the Partners at Dundas. Dundas had 9 equity partners as at 31 March 2025.

Dundas has no tier 2 capital deductions and as such Dundas' total capital resources after deductions as at 31 March 2025 were £2,342,118.

Potential Future Scenarios

The scenarios are:

- Wind down plan conducted at a time of stress for the business with loss of client assets.
- Flat assets under management but rising costs of doing business in the markets served.
- Uptick in assets under management while bringing in house some distribution costs.

Scenario	Likelihood	Impact	Mitigants
Wind down	Low – in line with firm's risk appetite	High	Early warning indicators and liquidity requirements
Flat assets rising costs	Low/medium – in line with firm's risk appetite	Medium	Profits retained to build capital buffer
Invest in asset growth	Low/Medium – in line with firm's risk appetite	Medium	Regular review of distribution arrangements.

Wind-down Analysis

Dundas has assessed the firm's ability to wind-down using a combination of its Fixed Operating Requirement and its liquid cash resources. The firm maintains a separate detailed wind-down planning document. The firm maintains cash balances across its sterling-denominated current and deposit accounts as well as in its AUD and USD current accounts to ensure sufficient cash reserves to settle bills in a timely fashion while at the same time building cash liquidity and reserves. Current liabilities are settled promptly, clients are regularly engaged with over any outstanding accounts receivable, and partner's distributions are made only when there is sufficient cash liquidity to do so.

Should the necessity for a wind-down be required the Management Board would be the key decision maker, while relying on the whole team for execution. It is estimated that the wind-down of Dundas could take up to 6 months but likely much sooner. We have considered notice periods for client mandates, distribution partners, suppliers, and staff. FCA guidelines for the Investment Firms Prudential Regime and Operational Resilience guidance issued in 2021 have been considered and would be the basis of our wind-down planning. The Managing Partners would also take responsibility for stakeholder communications.

Given the past growth in AUM, fees and profits, the decision to wind up the business is most likely to take place following a particular event or series of events which cast doubt on the going concern nature of the business. Examples could be a regulatory breach leading to potential fine and loss of investor confidence; damage to the firm's reputation and brand leading to loss of clients and staff; or the failure of a distributor or key supplier. An estimate of the financial impact of any of these scenarios is captured by the additional stressed expenditure shown in the table below. These could be the cost of redress, fines or legal costs associated with contractual obligations with distributor/supplier.

Flat Assets and rising costs

This scenario envisages a backdrop of high market volatility but with equity markets treading water over a period of several years. This volatility has the twin impacts of reducing the flow of new assets into the firm's strategy as asset owners and their advisors choose to maintain current asset allocations and manager selections but also increasing the regulator focus on asset management firms.

The first impact of no new net money flows will constrain revenue growth and may even encourage clients to seek lower fees on existing assets. This scenario assumes no revenue growth over a period of three years. On the other hand, rising costs of compliance require the addition of more resources in our operations team along with greater scrutiny by existing clients (also feeling the burden of growing regulation) has resulted in additional resources in the client relationship and investment research teams.

AUM growth including additional resource

This scenario envisages a favourable environment for business growth which encourages the firm to invest more in distribution and asset gathering activities. Additional resource is added within our business development activities this brings with it more travel costs and desire for increased investment manager time to support those activities.

Those increased investments in resource do however bring forth a more rapid rise in AUM and fees, more of which accrue to the firm directly. This scaling up brings with it higher fixed costs which need to be considered in determining capital requirements.

At all times Dundas must maintain own funds that are at least equal to its own fund requirement. In accordance with MIFIDPRU 4.3, the own funds requirement is the highest of: Permanent Minimum Capital, Fixed Overhead Requirement, K factor requirement or our own assessment through the ICARA process.

Furthermore, Dundas must also meet the "overall financial adequacy rule" as set out in MIFIDPRU 7.4.7R. This states that at all times the firm must hold own funds and liquid assets which are adequate to ensure that the firm is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities AND that the firm can be would down in an orderly manner, minimising harm to consumers or to other market participants.

In accordance with MIFIDPRU 4.3 the highest of the three requirements is the Fixed Overhead Requirement. However, in accordance with MIFIDPRU 7.4.7R the dominant requirement is the capital requirement assessed for orderly wind down.

Finances

The firm is audited annually with a year end of March, management accounts are prepared monthly with profit and loss plus balance sheet figures discussed at the Management Board quarterly with capital adequacy also covered at the Compliance and Audit Committee.

The table below shows the main metrics from the year end 31 March 2025 balance sheet highlighting the total balance sheet equity, the capital introduced by partners and balance sheet liquidity against both the firm's assessed own-funds requirement (from the Wind down scenario) and regulatory calculations.

	31 March 2025 GBP'000	31 March 2024 GBP'000	31 March 2023 GBP'000	31 March 2022 GBP'000
Balance sheet equity	2,342	2,068	2,066	2,152
Capital introduced by members'	1,144	1,144	1,216	1,176
Balance sheet liquidity*	1,893	1,439	1,257	1,490
Overall Financial Adequacy Requirement: Based on Wind down	700			
Permanent Minimum Capital	75	75	75	75
Fixed Overhead	479	480	470	431
K factor – K-AUM (£1.65bn)	332	323	302	N/A

* Balance sheet liquidity being cash plus trade receivables capped as per FCA guidelines.

Early warning indicators/triggers for review

As part of the ongoing risk management programme the firm has introduced the following triggers for discussion at the quarterly or ad hoc partnership meeting:

- 10% year on year decline in firm revenues
- Material compliance breach requiring notification to the appropriate regulator.
- Loss of a top 5 client
- Proposed increase in annual expenditure of more than 10%
- Termination of distribution agreement
- Capital falls below 120% of Fixed Overhead Requirement (110% requiring FCA notification).

Should a trigger be tripped, the partners will assess the most recent capital and liquidity situation in the context of the risk register and the scenarios outlined above to determine what if any action is required.

Disclosure of risk management objectives and policies

Overall Financial Adequacy Requirement

The firm's overall risk appetite is low and, in the scenarios above we have sought to evaluate several possibilities:

- an orderly wind up with associated costs of redress, fine or legal fees. Assessed as low risk but high impact.
- flat AUM but rising cost base. Assessed as low-medium risk and medium impact.
- investing in internal distribution capabilities to grow AUM. Assessed as low-medium risk and medium impact.

In the short term the wind up under stress results in the highest OFAR but a decision to increase internal distribution costs could become the largest factor over several years and therefore needs to be considered in future years.

As outlined above the firm's MiFIDPRU 7 document (ICARA) is redrafted at the time of the annual financial audit each year along with the Remuneration Policy Statement. The annual business plan is completed earlier in the year and prior to the audit while the risk register is updated twice a year. All are interlinked. External disclosures to comply with MiFIDPRU 8 flow from this timetable.

Concentration risk

MiFIDPRU 5.2.1 requires a firm to monitor and control all sources of concentration risk.

The firm has no exposure to trading book or associated off balance sheet items.

The firm has no permissions to hold client money nor to direct the location of custody assets.

With respect to the firm's own cash deposits, the policy is to hold on deposit with UK financial institutions.

Regarding the concentration of firm earnings, the sub advisory arrangement for the Australian based fund contributes more than 40% but less than 50% for total firm wide net revenues.

Liquidity Risk

Liquid assets held as at end March 2025 include:

- cash on deposit
- trade receivables

No haircut has been taken on the cash on deposit, which are held with UK based Bank of Scotland which is part of the Lloyds Banking Group rated A+ by Standard & Poor's and which the firm believes are low risk trade receivables have been limited to one third of the fixed overhead requirement in line with FCA guidance despite their having been no unpaid invoices in the firm's trading history. Other liquid assets are held for future tax payments or in foreign currency to meet known obligations.

The firm regularly reviews its liquidity policy, and the proportion of capital held in this form.

Potential for Harm associated with Business Strategy

In summary, the firm is a limited liability partnership with no debt and access to external capital. It has a single high active share global equity strategy based on capturing long term dividend growth. It accesses its institutional and wealth management markets through independent distributors. The firm has appropriate resources to operate within the limited regulatory permissions which it has sought and been granted. As a small and growing firm, it is dependent on a relatively few key team members, selective outsourcing arrangements, and a modest customer base.

Client harm risks can be considered in three categories:

- High active share investment proposition
- Small scale of operations reliant on outsourced distribution and administration services such as fund hosting
- The rising costs of doing business in an increasingly regulated and concentrated industry.

Challenge and Adoption of the ICARA

This MIFIDPRU was prepared using the firm's latest annual audited account and ratified by the Partners on 19 June 2025. We will continue to review this document and make any required amendments in line with our year end, 31 March. It is built upon the work completed in the last five fiscal years. The main business assumptions driving the budget process have been subject to review at a Partners meeting in May 2025. Those assumptions are the main drivers of the budgeting and resource planning which in turn impacted the Fixed Overhead Requirement modelling for the coming year.

The fixed operating costs and fixed overhead requirement have been driven directly from the challenge and testing of those key business assumptions. The calculations themselves have been subject to scrutiny by all the Partners in the firm.

Remuneration

Background

Dundas is subject to the IFPR Remuneration Code (the Code) requirements of a non-SNI firm. As such Dundas is required to ensure this Remuneration Policy Statement is in place and identify those members of staff who are covered by the remuneration requirements. The proportionality principle in SYSC 19G.2.4 R requires that a firm's remuneration policies and practices must be appropriate and proportionate to the nature, scale, and complexity of the risks inherent in the business model and the activities of the firm. Dundas is required to assess its own characteristics and to develop and implement policies and practices that appropriately align Dundas with the risks faced by its business. Dundas has produced this Remuneration Policy Statement in line with the FCA template for remuneration for 2023 and covers the disclosures required by MiFIDPRU 8.6.

Overall Approach to Remuneration

The objectives of the firm's remuneration policies are to attract and retain for the long term the right people to grow the business; to encourage behaviours in line with the firm's values and culture; align decision making with the firm's low appetite for risk; to reward growing individual experience and competencies; and make an award for business and individual performance against objectives.

The firm is structured as a Limited Liability Partnership in Scotland and is owned by its 8 partners who are all active in the business on a day-to-day basis. There are in addition 7 employees.

For all staff the approach to remuneration is to ensure employee salaries and bonuses or partner profit shares are commensurate with the role or roles undertaken within a small organisation of less than twenty team members. These levels of pay must be sustainable and capable of growing as the firm grows, recognising the risks of client concentration, active equity management and fluctuations in market levels. Our policies are gender neutral and do not discriminate based on protected characteristics of an individual. The firm undertakes regular sampling of local market pay rates and seeks to reward growing skills and competencies.

Sound and effective risk management is promoted through remuneration policies that prioritise necessary investment within the firm first, through profit retention to expand our capital or expenditure on services or equipment which will help reduce risk. Pay and profit distributions are the second call on firm profitability only after these reinvestments are made. Employee pay does not vary widely from year to year, and variable remuneration paid is based on the firm's profitability and employee performance.

The framework described above not only assists sound and effective risk management but also reinforces the firm's low appetite for risk exhibited through the strategic objectives of safeguarding reputation and capital adequacy while achieving appropriate investor returns and growing profitably in a sustainable way. The firm promotes a culture of Advocacy to put the interests of clients and the firm before our own – this is manifest in a remuneration policy which emphases the link to firm wide business performance rather than individual performance and to reinvest in the business for the benefit of clients rather than a focus on taking money out.

Smoothing employees pay and partner profit distributions over time has the additional benefit of allowing the long-term effects of investment decisions taken to bear fruit in higher returns and greater AUM.

Avoiding Conflicts of Interest

No individual with the firm has remuneration linked to the returns of a particular portfolio, assets managed for a particular client or distributor, or new business from a particular business line. These measures help to avoid conflicts of interest. The focus on overall firm business and investment performance encourages responsible business conduct and prudent risk taking.

Governance and Oversight

The Remuneration Policy is adopted and reviewed by the Management Board at Dundas; this committee is formed of partners drawn from the wider partnership of the firm. The policy is subject to independent internal oversight by the Compliance and Audit Committee.

The Remuneration Policy Statement is reviewed at least annually prior to the publication of the firm's annual accounts – generally in May with internal oversight review in June before disclosure released in July.

The remuneration of staff is reviewed annually, considering individual performance and market practice for the role being undertaken. In addition, bonus arrangements are reviewed periodically to ensure their effectiveness. Bonus calculations and targets are also reviewed annually to ensure that they are appropriate, fair, and consistent.

While the Management Board has the final decision on the remuneration pool for distribution and the allocation of that pool for staff members, the Remuneration Committee has the final decision on the allocation of the profit-sharing pool amongst partners.

DUNDAS GLOBAL INVESTORS

Control Functions

The firm is a single entity with no business units as such, but each control function is based on the ownership or participation in a particular process or activity within the firm. Control functions therefore align closely with senior management responsibilities. Remuneration as a result is linked to these functions rather than any business areas.

The Compliance and Audit Committee oversee and suggest edits to the remuneration policy statement based on regulatory guidance and industry best practice but neither set individual remuneration awards nor own the remuneration policy. For example, the Compliance and Audit Committee proposed a new format for the RPS as a non SNI firm which was adopted by the Management Board.

The Management Board seeks external guidance on industry levels of remuneration for appropriately qualified senior functions including the Compliance Partner and the Chair of the Compliance and Audit Committee.

Categorising fixed and variable remuneration

Employee fixed remuneration is set in relation to an individual's skills and competencies, their role(s) within the organisation and local market rates for similar roles. The variable component of remuneration is a function of the firm's business performance; the individual's achievement of objectives set for the year and their alignment with the firm's culture and values. Generally fixed remuneration will be majority of total remuneration. Line managers are responsible for assessing individual's performance against objectives and the alignment with stated firm values. These assessments are then considered by the Management Board who are responsible for the overall aggregate pool of variable compensation (a function of firm financial performance) and its allocation.

For partners in the firm the profit pool available will vary from year to year depending on market moves, new clients won or lost and the costs of doing business. It is partners who bear the burden of substantially reduced overall remuneration in times of client loss and or down equity markets.

No eligible employee within the firm received only fixed or only variable remuneration in the period.

The fixed and variable components of employee pay are appropriately balanced to allow a smoothed approach to total remuneration over time – deliberately not over distributing during periods of higher profitability only to have to cut remuneration should profitability fall. This balance also allows for the possibility of paying no variable component, if necessary, without an undue impact on individuals.

Remuneration and Capital

The Management Board work closely with the Finance and Compliance manager to establish the capital requirements of the business over the coming planning period (1-3 years), these capital requirements along with any reinvestment needs in services or systems are the first call on the firm's profits thus ensuring the firm has a sound capital base before consideration of remuneration and addressed.

Assessment of Performance

The financial performance of the firm is the primary factor impact remuneration levels in the firm and particularly variable remuneration. The metric used is operating profit which is what is available for reinvestment or distribution after all other claims are made. Individual non-financial criteria relate to objectives set for the year and the individual's alignment with the firm's culture and values. Financial criteria form the basis for the overall quantum of variable remuneration available for distribution while non-financial criteria form the basis for its allocation.

Standard Remuneration Requirements

The Remuneration Code requires Dundas to identify individuals whose professional activities have a material impact on its risk profile (known as 'Material Risk Takers') and the remuneration rules and disclosures (subject to proportionality) apply to those individuals. The following partners and staff within Dundas were identified as individuals who should be defined as Material Risk Takers (MRTs)

- All Partners (SMF27 Function holders)
- Finance Manager
- Senior Investment and Stewardship Support Analyst

New MRTs are given additional training in the year in which they are appointed to ensure that they understand the implications of this status in relation to the requirements of the Code.

Awards of non-Standard form of variable remuneration

The firm does not provide any of the non-standard awards referred to in SYSC 19G.6.7 to 14.

Risk and Performance Adjustment

There is no differentiation between variable remuneration schemes within the firm other than that between salaried staff and partners described above.

Should the firm's performance be subdued or negative there are no malus or clawback arrangements however there is the flexibility to apply full discretion to reduce salaried staff bonus pool to zero and to reduce the partners pool to the level of operating profits available for distribution after reinvestment needs are met.

Variable remuneration is paid out based on business and individual performance for the particular year in question, there are no carry forward or backward-looking provisions. Should an individual employee wish to question their variable remuneration this should be escalated to their line manager in the first instance and to the Managing Partners thereafter.

Discretionary Pension Benefits

The firm does not use discretionary pension benefits as part of remuneration policy.

Personal Investment Strategies

The firm prohibits use of derivate strategies for investment or hedging purposes by employees.

Avoidance of MIFIDPRU Remuneration Code

The firm deliberately has no policy or payment mechanism which would allow variable remuneration through methods other than cash payments, which are audited every year.

Extended Remuneration Requirements

All variable remuneration is paid in cash and relates solely to the prior business year. No variable pay is retained for subsequent payment.

The Management Board is responsible for assessing the *overall* retention of profits to add to capital buffer or to invest in systems or services for the business to underpin future growth and reduce risks.

Table of remuneration paid for year 2024/25

The table below shows the percentage of employee remuneration paid as both fixed and variable component. Absolute values have not been included but an indicative band has been used due to the low number of employees involved and issues of confidentiality.

Total employee remuneration	Fixed component	Variable component
£300,000 to £400,000	93%	7%

Signed:

Vanessa Murchison

Managing Partner

Date as at 30 June 2025